



Georgia Department of Revenue
Policy Bulletin SUT-2019-01
High-Technology Data Center Equipment
Sales and Use Tax Exemption

Purpose: This Policy Bulletin provides guidance to data centers and data center customers on documentation required to qualify for the high-technology data center sales and use tax exemption set forth in O.C.G.A. § 48-8-3(68.1).

Publication Date: April 1, 2019

Authority: O.C.G.A. §§ 48-2-7, 48-8-3(68.1).

Scope: A Policy Bulletin is intended to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers, superseding all conflicting documents and oral directives previously issued by the Department. A Policy Bulletin does not have the force or effect of law and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.

Issues:

1. **How do data centers and data center customers apply for a high-technology data center equipment certificate of exemption?**
2. **Are data centers required to obtain a bond to qualify for the exemption?**
3. **What documentation must data centers submit to the Department to qualify for the exemption?**
4. **What documentation must data center customers submit to the Department to qualify for the exemption?**
5. **How do data centers and customers submit documents to the Department?**
6. **Are data center exemption certificate holders required to submit annual reports?**
7. **What is the deadline for data centers to file annual reports?**
8. **How does a data center submit an annual report?**

Discussion of Issues:

1. How do data centers and data center customers apply for a high-technology data center equipment certificate of exemption?

The application for the certificate is available on the [Georgia Tax Center](#) (GTC). Instructions on [how to apply for a high-technology data center equipment exemption certificate](#) are posted on the [Sales & Use Tax Instructions Webpage](#).

A data center's customers may apply for an exemption certificate after the Department has approved the data center's application for exemption. Customers will need the data center's sales tax number to complete the application.

2. Are data centers required to obtain a bond to qualify for the exemption?

Yes. Currently, the Department is requiring all data centers to obtain a bond in the amount of \$2 million before the Department approves a high-technology data center equipment certificate. Please use [the bond form available on the Department's website](#).

Data center customers are not required to obtain a bond.

3. What documentation must data centers submit to the Department to qualify for the exemption?

As a part of completing the application on GTC, data centers must submit documentation showing the data center's ability during the investment period to create and maintain an average of 20 New Quality Jobs and to make the amount of qualifying aggregate expenditures required in O.C.G.A. § 48-8-3(68.1). Examples of supporting documentation include

- A business plan showing:
 - a list of planned expenditures that will count toward the data center's Minimum Investment Threshold (the estimated dollar amount of each purchase and description of the purchase); and
 - a list of planned New Quality Jobs that will be created and maintained during the investment period (a description of each position, estimated wage, and estimated work hours).
- A list of expenditures made to-date that count toward the data center's Minimum Investment Threshold (the dollar amount of each purchase, the date of purchase, the vendor, and description of the purchase).
- A list showing each New Quality Job created and maintained beginning on the selected investment start date up to the date of application (a description of each position, wage, and work hours).

4. What documentation must data center customers submit to the Department to qualify for the exemption?

Data center customers must submit a copy of a contract that is for data center services with an approved high-technology data center and that is for an initial term of at least 36 months.

5. How do data centers and customers submit documents to the Department?

Data centers and customers may upload documents through GTC while submitting their applications for the exemption certificate. Alternatively, they may email documents to tax.policy@dor.ga.gov or mail them to Georgia Department of Revenue, Legal Affairs & Tax Policy, 1800 Century Blvd. N.E., Ste. 15107, Atlanta, GA 30345.

6. Are data center exemption certificate holders required to submit annual reports?

Data centers are required to submit annual reports of expenditures, job creation, and exempted taxes for every calendar year for which they have claimed the benefit of the exemption. For example, if a data center applies for an exemption certificate in January of 2019 and selects an investment start date of July 1, 2018, the data center is required to submit an annual report for the 2018 calendar year. Data center customers are not required to submit annual reports.

7. What is the deadline for data centers to file annual reports?

Generally, annual reports are due on April 30th of the following calendar year. For example, an annual report for 2018 is due on April 30, 2019.

However, if a data center's investment start date begins in a year prior to the year of application, the annual report(s) for those prior year(s) are due 30 days following the date the Department grants the exemption certificate or April 30th of the application year, whichever is later.

Therefore, if the Department grants an exemption certificate on January 1, 2021 to a data center with an investment start date of July 1, 2018, the annual reports for years 2018 through 2020 are due on April 30, 2021. The annual report for 2021 is due April 30, 2022.

If the Department grants an exemption certificate on April 15, 2021 to a data center with an investment start date of July 1, 2018, the annual reports for years 2018 through 2020 are due on May 15, 2021. The annual report for 2021 is due April 30, 2022.

8. How does a data center submit an annual report?

[Instructions for how to file an annual report](#) are posted on the [Sales & Use Tax Instructions Webpage](#).

For more information, please contact the Department at 1-877-423-6711 from 8:00 a.m. to 4:30 p.m. ET, Monday through Friday, excluding holidays. For forms and other information, visit the Department's website at dor.georgia.gov.